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STAT

July 18, 1951.

Lt. General Walter Bedell Smith
 Director, Central Intelligence Agency
 Washington, D. C.

My dear General Smith:

During the time in which I was a member of the Board of Estimates I became acutely aware of a logical pitfall facing an intelligence organization which has the responsibility for giving advance warning of the outbreak of war. This pitfall is inherent in the tautology that: Until war actually breaks out every forecast of war occurring before that date is, of course, certain to be wrong. Thus, if we assumed that war would break out on January 1, 1953, but that no one actually knew that this was going to be so, every estimate which forecast flatly that war was not going to break out would be absolutely correct up to January 1, 1953, and tragically wrong about the one date that mattered.

One of my students confided to me how for several years prior to World War II he had acquired as the columnist for a small town newspaper a reputation as an infallible prophet. When Hitler reoccupied the Rhineland in 1936, there occurred to him a fool-proof formula for pseudo-infallibility. As one crisis followed another, through the annexation of Austria, the Munich crisis, the occupation of Czechoslovakia and so on, he was able to assure everyone that each successive crisis was not going to result in war. He was right every time down to Hitler's invasion of Poland in September 1939. It had dawned on the student that if he made a negative prophecy with respect to the outbreak of war each time a crisis threatened he would be wrong, at most, only once. (And, of course, possibly not wrong at all!)

This means that during the period up to the actual date of the initiation of hostilities estimates which simply forecast that war is not going to break out will have a statistically fictitious record of correctness.

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This false rationale constitutes an extreme hazard for any intelligence organization. Unless it is understood and discounted, it will inexorably lead to the growth in prestige of those estimates which most unreservedly forecast that war is not going to break out at any date or period which is under consideration. Once this development takes place it almost insures that an intelligence organization will be found not to have given warning of the outbreak of war in its estimates if and when war actually does break out.

When one considers furthermore the many "flaps" which occur from time to time but which prove to be "False alarms" as indicators of the early outbreak of hostilities, it is no wonder that one finds it more and more difficult to continue "Viewing with alarm". One is thus under the temptation of becoming increasingly blasé. If, however, Intelligence is to perform its national security function there is no alternative but to be willing to continue month after month estimating the real possibility or even probability of war when such exists, even though every month in which war does not break out seems to prove the estimators wrong and even makes them feel a little ridiculous. Thus, so long as the danger of war continues to exist, as it most certainly does now, Intelligence dare not shrink from performing its function of reiterating warnings, however monotonous the performance of this function may become.

Sincerely yours,

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CBH:pe

Gen. W. L. Sargent recommends no
answer to this.

W.E.